

CITY OF RIVERSIDE

BOARD OF PUBLIC UTILITIES

Minutes of: Board of Public Utilities

**PUBLIC HEARING — PROPOSED THREE-YEAR WATER RATE INCREASE
PLAN AND CHANGES TO WATER RATE SCHEDULE**

Date of Meeting: March 2, 2006

Time of Meeting: 6:00 p.m.

Place of Meeting: Art Pick Council Chamber, City Hall
3900 Main Street (at Tenth & Main Streets)
Riverside, California

1. **CALL PUBLIC HEARING TO ORDER**

Vice Chair Jim Anderson called the meeting to order at 6:02 p.m.

PLEDGE OF ALLEGIANCE TO THE FLAG

2. **ROLL CALL**

Vice Chair Anderson made note that the following Board members were to be excused for their absence:

Absent: Lalit Acharya (absent due to business)
Ken Sutter (absent due to business)
Peter Hubbard (absent due to family emergency)

The following Board Members were present:

Jim Anderson (Vice Chair)	Joe Tavaglione
Dave Barnhart	Bob Stockton
Mary Curtin	Robert Elliott

3. **OPEN PUBLIC HEARING AND REVIEW OF RULES OF CONDUCT**

Vice Chair Jim Anderson announced in accordance with the published notice that the Board of Public Utilities was holding a Public Hearing to consider a proposed three-year water rate increase plan and changes to water rate schedule. He stated the following:

- A. The purpose of the hearing was to consider any comments from anyone present regarding the Department's proposed changes and modifications;
- B. No action would be taken by the Board of Public Utilities at this time;
- C. The public would be allowed to address the Board of Public Utilities in order of sign up;
- D. Comments of any individual would be limited to three minutes; and
- E. Prior to receiving public input, the Board requested staff to provide a summary of the proposed changes.

PUBLIC UTILITIES GENERAL MANAGER'S COMMENTS

General Manager Dave Wright stated that the outreach to the public announcing the public hearing was as follows:

- Five display advertisements in Press Enterprise:
Two Community Meetings Notices, and
Three Public Hearing Notices
- Two Legal Advertisements in Press Enterprise
- Three display advertisements in La Prensa:
Two Community Meeting Notices and
One Public Hearing Notice
- Public Hearing Notice and Community Meetings flyer on Utility Website
- Large display posters on 4th floor lobby of City Hall, Utilities Operations Center (UOC) lobby, Customer Service Center at Orange Street and La Sierra Library and the Main Library
- Riverside Public Utilities Employee Presentations
- 2 Community Meetings (1 at the La Sierra Library and 1 at City Council Chambers)
- 4 Local Organization Presentations
- February Utility Bill Insert with "Public Hearing March 2 Notice" sent to all RPU water accounts
- Press Release distributed to local press on 2/10 announcing both community meetings
- Initial discussion with Chamber of Commerce
- Public Utilities Account Reps shared with large businesses

4. STAFF PRESENTATION**A. PROPOSED THREE-YEAR WATER RATE INCREASE PLAN AND CHANGES TO WATER RATE SCHEDULE:**

General Manager Dave Wright gave an overview of the proposed three-year water rate increase plan and changes to water rate schedule.

Vice Chair Anderson then opened the hearing for public comments.

5. **COMMENTS FROM AUDIENCE** – *Each Speaker was limited to 3 minutes for comments*

1. **Michael Fine**, *Deputy Superintendent of Riverside Unified School District.*
 - Copy of his comments attached
2. **Wendel Tucker**, *Alvord School District – Assistant Superintendent / Operational Support Services*
 - Copy of his comments attached
3. **Ms. Sandy Mihalak**, *Resident*
 - Concerned that RPU does not have enough reserves to replace the old infrastructure
 - 20% over time is a lot – a gap between low & high income
 - Work together to use tax dollars together
 - Need succession planning, communication, management, inflation factor, retirement
4. **Mr. Lou Monville**, *Chambers of Commerce, Chairman of the Board*
 - Thanked the Board and RPU staff
 - Advocates for Business / small family business a long term solution that gives stability and predictability of rate increases
 - Advocates to work on State issues
 - Bonds from the State
 - Conservation outreach
5. **Ms. Sharon Tyrell**, *small business owner*
 - She questions the message that we are sending to the customers – the ability of management based upon size of the increase
6. **Mr. Tom Martin**, *15-year Resident*
 - Cited 75%
 - Wife gardens with water tolerant plants
 - His water rates have gone up 77% in the last two years
 - Intermittent water pressure (lives on a hill) – water meter might be wrong
 - RPU should look closer at what we charge – Rethink the 20-20-20 percent
7. **Mr. Tom Donahue**, *Marriott Hotel, General Manager*
 - RPU provided great assistance while hotel was replacing water pipes
 - Agrees there is a need for a comprehensive plan to upgrade the City's water infrastructure
 - The hotel chain's utility rates have gone up drastically in other areas
 - Committed to energy conservation
 - Not a three-year implementation but to a longer period of time

8. **Mr. Harrison Heublein**, *Resident*

- Knows the challenges that RPU is endeavoring due to military background with 60 year infrastructures
- Wants a longer phase in, possibly 7-10 years and then reassess after 5 years

9. **Ms. Courtney Edwards**, *Resident – Legally disabled & a senior citizen*

- Lives in Section 8 housing with old pipes in complex
- Cited cost to a fixed income customer
- Concerned with SHARE program because it is not easy and great as it sounds because it can take 2-3 days to get eligible status

10. **Ms. Collette Leeds**, *small business owner*

- RPU's presentation was great and got the message across regarding infrastructures
- Doom and gloom presentation
- Rates keep going up
- Where has planning been? Where have we set aside reserves and funds to take care of this problem
- Timeframe is too short – should be over a longer period of time
- Reassess and monitor at specific points to be sure the projects are on target
- Worried for the low income customers
- Remember the impact can cause a negative impact on all

11. **Ms. Mary Humbolt**, *Resident*

- Thanked staff for having the meeting in the evening so many can attend
- Hopes increase does not pay developer costs or annexation costs (Annexation 30 square miles) or City to buy WMWD rumor where they will have to replace their infrastructure
- Fixed income concept will require eliminating watering yard – cited code requirements
- Start a desert landscape program and subsidize

6. **CLOSED PUBLIC HEARING**

A motion was made to close the public hearing.

Motion – Tavaglione. Second – Barnhart.

Ayes: Anderson, Tavaglione, Barnhart, Curtin, Stockton, and Elliott.

Noes: None

Abstain: None

Absent: Lalit Acharya (excused absence due to business)
 Ken Sutter (excused absence due to business)
 Peter Hubbard (excused absence due family emergency)

7. **CLOSING COMMENTS FROM THE BOARD MEMBERS**

None.

8. **ADJOURN**

Vice Chair Jim Anderson adjourned the meeting at 7:15 p.m. to the meeting of the Board of Public Utilities to be held on Friday, March 17, 2006, at **8:15** a.m. in the Art Pick Council Chamber at City Hall located at 3900 Main Street in Riverside, California.

By: _____
David H. Wright, Secretary
Board of Public Utilities

Approved by: City of Riverside Board of Public Utilities

Dated: March 17, 2006